Targeting over 50s!!

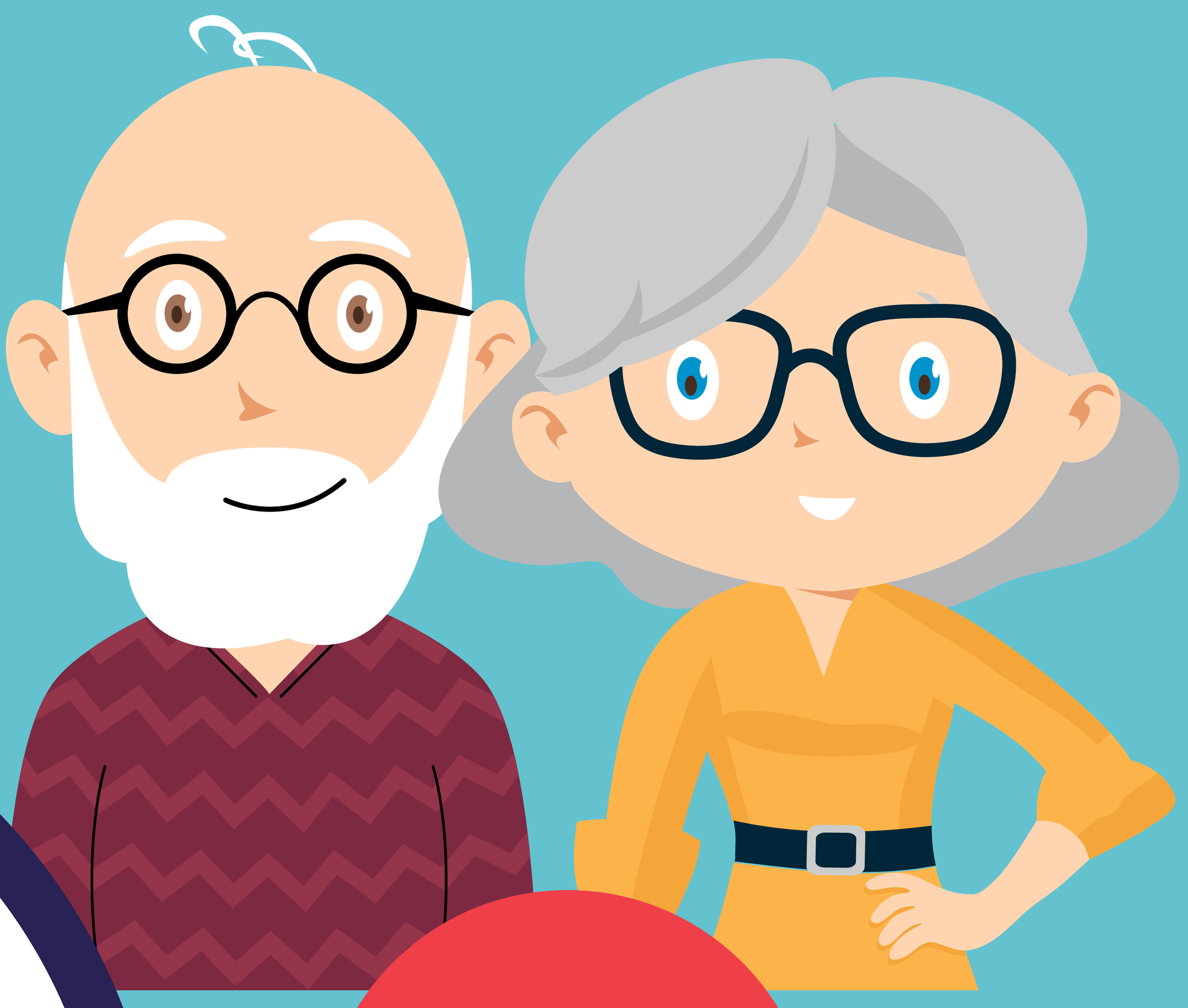
FraudSMART Spotlight on Investment Scams

An investment scam occurs when a criminal tricks someone into investing money to a scheme or venture that does not exist, ultimately transferring funds to the fraudster's account. The scams promise attractive returns that are usually higher than other retail investment opportunities. Common investment scams include shares, bonds, cryptocurrencies, pensions and overseas land investment.

How does the scam work?

These scams are highly convincing and appear to be legitimate.

- Fraudsters may hide behind websites, including product or investment comparison websites, which can appear to be legitimate.
- Consumers looking to invest may submit their details to an online form for more information and the fraudsters then call or follow up with an email, often including what looks like a high-end brochure that may use the name and branding of a well-recognised, legitimate bond or investment scheme.
- Once the victim has authorised the payment and the money has reached the criminal's account, the criminal will quickly transfer the money onwards to numerous other accounts, where it is then cashed out.
- A fraudster may spend a number of months communicating back and forth with no pressure or urgency placed on the consumer in order to build up a sense of trust.
- Other techniques used by fraudsters to convince consumers of their legitimacy include creating a 'copy-cat' profile on LinkedIn of a real employee from an investment firm.



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Informed. Alert. Secure.

Read on for red flags and tips

Red flags to look out for:

- **Cold call:** You are cold-called about an investment opportunity – i.e. you receive an unexpected telephone call/e-mail/social media message.
- **Claims of low or no risk:** There is a promise of a guaranteed, quick and profitable return on the investment with little or no risk. All investments carry some level of risk.
- **Pressure to act:** You feel pressured into making decisions without proper research or due diligence.
- **Lack of transparency:** The investment lacks transparency and you cannot access clear and detailed information about the operations, financials, or investment strategy
- **Complexity and confusion:** The investment opportunity is overly complex or difficult to understand.

Checklist to avoid investment scams:

- ✓ **Take your time:** It is important to note that there are very few legitimate investment opportunities that require you to hand over or transfer money immediately.
- ✓ **Research thoroughly:** Check the individual and firm for qualifications, credentials, reputation and history. Be wary of brochures that may appear legitimate. Contact the investment firm directly using numbers from their official website or other reputable independent sources. The Central Bank Consumer Hub is a good place to start.
- ✓ **Verify the information:** Check all information with a trusted third party such as a legal/financial professional and consult family and close friends.

If you think you may have fallen victim to an investment scam:

- **Contact both your bank and An Garda Síochána as soon as possible.** Every reported case of fraud is investigated thoroughly.
- **Be wary of a repeat scam.** If you've been a victim of fraud in the past, whoever took your money may keep your contact information and contact you again. This time, they'll claim they can recover the money you lost but you'll need to pay a fee first. Hang up on any callers that claim they can get your money back for you.

FraudSMART is a fraud awareness initiative developed by Banking & Payments Federation Ireland (BPFI).

Sign up to FraudSMART alerts to protect yourself against scams – go to www.fraudsmart.ie

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